

June 2016



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## Michigan FSA Newsletter

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### State Executive Director's Note

Who do you want to represent your farm community? This may be your chance to let Michigan Farm Service Agency (FSA) know through the County Office Committee nomination and election process.

County Committees are unique to FSA and allow producers to have a voice on federal farm program implementation at the local level.

Elected county committee members serve a three-year term and are responsible for making decisions on FSA disaster, conservation, commodity and price support programs, as well as other important federal farm program issues.

Eligible producers may nominate themselves or others as candidates. Organizations representing minority and women farmers and ranchers may also nominate candidates. All producers, including women, minority and beginning farmers and ranchers are encouraged to participate in the nomination and election process.

The nomination period for many FSA county committees begins June 15, 2016. Nomination forms must be postmarked or received by your County FSA Office by close of business on Aug. 1, 2016.

To become a nominee, eligible individuals must sign form FSA-669A. The form and more information about eligibility and county committee elections is available online at [www.fsa.usda.gov/elections](http://www.fsa.usda.gov/elections) or by visiting your local county office.

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## **USDA Unveils New Improvement to Streamlining Crop Reporting**

*Update Lets Farmers and Ranchers Report Common Acreage Information Once*

Farmers and ranchers filing crop acreage reports with the Farm Service Agency (FSA) and participating insurance providers approved by the Risk Management Agency (RMA) now can provide the common information from their acreage reports at one office and the information will be electronically shared with the other location.

This new process is part of the USDA Acreage Crop Reporting Streamlining Initiative (ACRSI). This interagency collaboration also includes participating private crop insurance agents and insurance companies, all working to streamline the information collected from farmers and ranchers who participate in USDA programs.

Once filing at one location, data that's important to both FSA and RMA will be securely and electronically shared with the other location avoiding redundant and duplicative reporting, as well as saving farmers and ranchers time.

Since 2009, USDA has been working to streamline the crop reporting process for agricultural producers, who have expressed concerns with providing the same basic common information for multiple locations. In 2013, USDA consolidated the deadlines to 15 dates for submitting these reports, down from the previous 54 dates at RMA and 17 dates for FSA. USDA representatives believe farmers and ranchers will experience a notable improvement in the coming weeks as they approach the peak season for crop reporting later this summer.

More than 93 percent of all annual reported acres to FSA and RMA now are eligible for the common data reporting, and USDA is exploring adding more crops. Producers must still visit both locations to validate and sign acreage reports, complete maps or provide program-specific information. The common data from the first-filed acreage report will now be available to pre-populate and accelerate completion of the second report. Plans are underway at USDA to continue building upon the framework with additional efficiencies at a future date.

Farmers and ranchers are also reminded that they can now access their FSA farm information from the convenience of their home computer. Producers can see field boundaries, images of the farm, conservation status, operator and owner information and much more.

The new customer self-service portal, known as FSAFarm+, gives farmers and ranchers online access to securely view, print or export their personal farm data. To enroll in the online service, producers are encouraged to contact their local FSA office for details. To find a local FSA office in your area, visit <http://offices.usda.gov>.

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## **Producers are Encouraged to Report Prevented Planting and Failed Acres**

USDA Farm Service Agency (FSA) reminds producers to report prevented planting and failed acres in order to establish or retain FSA program eligibility for some programs.

Producers should report crop acreage they intended to plant, but due to natural disaster, were prevented from planting. Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).

Contact your local FSA office for a list of final planting dates by crop.

If a producer is unable to report the prevented planting acreage within the 15 calendar days following the final planting date, a late-filed report can be submitted. Late-filed reports will only be

accepted if FSA conducts a farm visit to assess the eligible disaster condition that prevented the crop from being planted. A measurement service fee will be charged.

Additionally, producers with failed acres should also use form CCC-576, Notice of Loss, to report failed acres.

Producers of hand-harvested crops must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. Producers who notify the County Office by any method other than by filing the CCC-576 are still required to file a CCC-576, Notice of Loss, within the required 15 calendar days.

For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), producers must file a Notice of Loss within 15 days of the occurrence of the disaster or when losses become apparent. Producers must timely file a Notice of Loss for failed acres on all crops including grasses.

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## **USDA's Building Blocks for Climate Smart Agriculture & Forestry**

The U.S. Department of Agriculture announced a comprehensive and detailed approach to support farmers, ranchers, and forest land owners in their response to address the causes of climate change in April 2015. The framework consists of 10 building blocks that span a range of technologies and practices to reduce greenhouse gas emissions, increase carbon storage, and generate clean renewable energy through mitigation.

USDA's strategy focuses on climate-smart practices designed for working production systems that provide multiple economic and environmental benefits in addition to supporting resilience to extreme weather, reduced emissions and increased carbon storage.

Through this comprehensive set of voluntary programs and initiatives spanning its programs, USDA expects to reduce net emissions and enhance carbon sequestration by over 120 million metric tons of CO<sub>2</sub> equivalent (MMTCO<sub>2</sub>e) per year – about 2% of economy-wide net greenhouse emissions – by 2025. That's the equivalent of taking 25 million cars off the road, or offsetting the emissions produced by powering nearly 11 million homes last year.

For more information on the Building Blocks for Climate Smart Agriculture and Forestry click the following link: <http://www.usda.gov/documents/climate-smart-fact-sheet.pdf>. For additional information on ways to consider greenhouse gases when managing land, refer to the USDA Climate Hub webpage: <http://www.climatehubs.oce.usda.gov/>.

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## **Enrollment Period for 2016 USDA Safety Net Coverage Ends Aug. 1**

Producers who chose coverage from the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or the Price Loss Coverage (PLC) programs, can visit FSA county offices through Aug. 1, 2016, to sign contracts to enroll in coverage for 2016.

Although the choice between ARC and PLC is completed and remains in effect through 2018, producers must still enroll their farm by signing a contract each year to receive coverage.

Producers are encouraged to contact their local FSA office to schedule an appointment to enroll. If a farm is not enrolled during the 2016 enrollment period, producers on that farm will not be eligible for financial assistance from the ARC or PLC programs should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program.

The two programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain

rice (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc).

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

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## USDA Extends Deadline for Recording Farm Structure

*Gives Non-Family Farming Operations More Time to Restructure in Response to 'Actively Engaged' Farm Management Rule*

USDA announced a one-time, 30-day extension to the June 1 deadline for recording farm organization structures related to Actively Engaged in Farming determinations. This date is used to determine the level of interest an individual holds in a legal entity for the applicable program year. Farming operations will now have until July 1 to complete their restructuring or finalize any operational change. The U.S. Department of Agriculture (USDA) issued the extension in response to farmers and ranchers who requested more time to comply, and to assure that everyone has enough time to provide their information under the new rules.

The 2014 Farm Bill provided the Secretary with the direction and authority to amend the Actively Engaged in Farming rules related to management. The final rule established limits on the number of individuals who can qualify as actively engaged using only management. Only one payment limit for management is allowed under the rule, with the ability to request up to two additional qualifying managers operations for large and complex operations.

The rule does not apply to farming operations comprised entirely of family members. The rule also does not change the existing regulations related to contributions of land, capital, equipment or labor, or the existing regulations related to landowners with a risk in the crop or to spouses. Producers that planted fall crops have until the 2017 crop year to comply with the new rules. The payment limit associated with Farm Service Agency farm payments is generally limited annually to \$125,000 per individual or entity.

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## Report Livestock Losses

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, wildfires, extreme heat or extreme cold.

For 2016, eligible losses must occur on or after Jan. 1, 2016, and before December 31, 2016. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is apparent. Participants must provide the following supporting documentation to their local FSA office no later than 30 calendar days after the end of the calendar year for which benefits are requested:

- Proof of death documentation
- Copy of growers contracts
- Proof of normal mortality documentation

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (less than 400 pounds) = 5%. These established percentages reflect losses that are considered expected or typical under "normal" conditions. Producers who suffer livestock losses in 2016 must file both of the following:

- A notice of loss the earlier of 30 calendar days of when the loss was apparent or by January 30, 2017

- An application for payment by January 30, 2017.

Additional Information about LIP is available at your local FSA office or online at: [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **Farm Loan Graduation Reminder**

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders that are interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA's intent to accelerate the loan, and appeal rights.

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## **USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers**

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants as well as beginning farmers and ranchers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women, African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA now offers Microloans through the direct loan program. The focus of Microloans is on the financing needs of small, beginning farmer, niche and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit [www.fsa.usda.gov/microloans](http://www.fsa.usda.gov/microloans).

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Additionally, individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation.

For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, visit [www.fsa.usda.gov/farmloans](http://www.fsa.usda.gov/farmloans).

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## **USDA Resumes Incentives to Grow and Harvest Biomass for Energy and Biobased Products**

Farm Service Agency (FSA) announced that incentives resume this month for farmers and foresters who grow and harvest biomass for renewable energy and biobased products. The funds come through the Biomass Crop Assistance Program (BCAP), which was reauthorized by the 2014 Farm Bill.

Facilities seeking to be qualified by USDA to accept biomass can begin enrollment between today, May 23, and June 6, 2016. BCAP provides financial assistance to farmers and ranchers who establish and maintain new crops of energy biomass, or who harvest and deliver forest or agricultural residues to a USDA-approved facility that creates energy or biobased products.

In fiscal year 2016, there is \$3 million available for BCAP. A portion of the funds will be provided to two existing BCAP projects in New York and Ohio/Pennsylvania to expand acres planted to shrub willow and giant miscanthus. Farmers and forest landowners may enroll for biomass establishment and maintenance payments for these two projects between June 15 and Sept. 13, 2016.

Also, between June 15 to Aug. 4, 2016, USDA will accept applications from foresters and farmers seeking incentives to remove biomass residues from fields or national forests for delivery to energy generation facilities. The retrieval payments are provided at match of \$1 for \$1, up to \$20 per dry ton. Eligible crops include corn residue, diseased or insect-infested wood materials, or orchard waste.

To learn more about BCAP or to enroll in updates, visit [www.fsa.usda.gov/bcap](http://www.fsa.usda.gov/bcap) or contact your local FSA county office. To find your local county office, visit <http://offices.usda.gov>.

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## **June Interest Rates**

Farm Operating Loan: 2.25%

Farm Ownership Loan: 3.5%

3-year FSFL: 1.000%

5-year FSFL: 1.250%

7-year FSFL: 1.625%

10-year FSFL: 1.875%

12-year FSFL: 1.875%

Crop Year 2015 MAL: 1.625%



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## Dates to Remember

June 20, 2016: Final date to timely report Prevented Corn Acreage

June 30, 2016: Final date to timely report Prevented Soybean Acreage

July 15, 2016: Certification Deadline for Spring planted crops\*

Aug. 1, 2016: last day to enroll in ARCPLC for 2016

Sept. 1, 2016: NAP sales closing date for 2017 Value Loss Crops

Sept.30, 2016: NAP sales closing date for 2017 Fall Seeded Small Grains, Forage and Grazing Crops

Nov. 20, 2016: NAP Sales Closing Date For 2017 Perennial Crops\*

Dec. 1, 2016: NAP Sales Closing Date For 2017 Honey And Maple Sap

Jan. 15, 2017: Certification Deadline For Perennial Crops\*

Feb. 1, 2017: NAP Sales Closing Date, 2017 NAP Onions

March 15, 2017: NAP Application Sales Closing Date 2017 NAP Annual Crops

\* See your local office for specific crops.

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